

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7541

Petition of Mountain Water Company pursuant to)
30 V.S.A. §108 for Approval to finance system)
improvements)

Order entered: 5/6/2010

ORDER RE: AMENDMENT

On August 6, 2009, the Vermont Public Service Board ("Board") issued an Order in this Docket approving the request of Mountain Water Company ("MWC" or "Company") pursuant to 30 V.S.A. §108 for long-term financing in the amount of \$290,000 (the "Loan") to fund improvements and upgrades to its water system. The Loan is to be provided and administered by the Vermont Economic Development Authority ("VEDA").

On April 12, 2010, MWC filed a letter with the Board informing the Board that VEDA will require the securitization of the Loan with all of the Company's water system assets now owned or hereafter acquired, including accounts receivable and a collateral assignment of the Company's water assessments.¹ MWC requests that the Board amend the August 6 Order and approve the pledge of security for the Loan as required by VEDA. MWC's letter was supported by exhibits consisting of VEDA's draft loan documents.

On April 19, 2010, the Clerk of the Board issued a letter to the Vermont Department of Public Service ("Department") requesting that the Department comment on MWC's amendment request.

1. MWC's original petition filed in this Docket on June 22, 2009, did not disclose VEDA's security requirements for the Loan as proposed, and inferred that the Loan would be cash secured through the operating cash flow of the Company. *See* Docket No. 7541, Order of 8/6/09 at 3.

On April 23, 2010, the Department informed the Board by letter that it believes that the Company's request to amend the Board's Order in this docket as set forth in MWC's April 12 filing is consistent with the general good of the state, and recommends approval of the request without a hearing.

Based upon MWC's updated filing and new exhibits presented in this docket, and the Department's letter of April 23, 2010, we hereby grant approval of MWC's request to amend our Order of August 6, 2009, and authorize the Company to pledge its assets as security for the Loan in accordance with VEDA's requirements as represented in MWC's amendment request.

So ORDERED.

Dated at Montpelier, Vermont, this 6th day of May, 2010.

s/James Volz)
) PUBLIC SERVICE
)
s/David C. Coen) BOARD
)
) OF VERMONT
s/John D. Burke)

OFFICE OF THE CLERK

FILED: May 6, 2010

ATTEST: s/Susan M. Hudson
 Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.